

SECOND REGULAR SESSION

# HOUSE BILL NO. 2072

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE RICHARDSON.

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D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 144.070, RSMo, and to enact in lieu thereof one new section relating to local use taxes on motor vehicles, trailers, boats and outboard motors.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 144.070, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.070, to read as follows:

144.070. 1. At the time the owner of any new or used motor vehicle, trailer, boat, or outboard motor which was acquired in a transaction subject to sales tax under the Missouri sales tax law makes application to the director of revenue for an official certificate of title and the registration of the motor vehicle, trailer, boat, or outboard motor as otherwise provided by law, the owner shall present to the director of revenue evidence satisfactory to the director of revenue showing the purchase price exclusive of any charge incident to the extension of credit paid by or charged to the applicant in the acquisition of the motor vehicle, trailer, boat, or outboard motor, or that no sales tax was incurred in its acquisition, and if sales tax was incurred in its acquisition, the applicant shall pay or cause to be paid to the director of revenue the sales tax provided by the Missouri sales tax law in addition to the registration fees now or hereafter required according to law, and the director of revenue shall not issue a certificate of title for any new or used motor vehicle, trailer, boat, or outboard motor subject to sales tax as provided in the Missouri sales tax law until the tax levied for the sale of the same under sections 144.010 to 144.510 has been paid as provided in this section or is registered under the provisions of subsection 5 of this section.

2. As used in subsection 1 of this section, the term "purchase price" shall mean the total amount of the contract price agreed upon between the seller and the applicant in the acquisition

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 of the motor vehicle, trailer, boat, or outboard motor, regardless of the medium of payment  
19 therefor.

20 3. In the event that the purchase price is unknown or undisclosed, or that the evidence  
21 thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisement by  
22 the director.

23 4. The director of the department of revenue shall endorse upon the official certificate  
24 of title issued by the director upon such application an entry showing that such sales tax has been  
25 paid or that the motor vehicle, trailer, boat, or outboard motor represented by such certificate is  
26 exempt from sales tax and state the ground for such exemption.

27 5. Any person, company, or corporation engaged in the business of renting or leasing  
28 motor vehicles, trailers, boats, or outboard motors, which are to be used exclusively for rental  
29 or lease purposes, and not for resale, may apply to the director of revenue for authority to operate  
30 as a leasing company. Any company approved by the director of revenue may pay the tax due  
31 on any motor vehicle, trailer, boat, or outboard motor as required in section 144.020 at the time  
32 of registration thereof or in lieu thereof may pay a sales tax as provided in sections 144.010,  
33 144.020, 144.070 and 144.440. A sales tax shall be charged to and paid by a leasing company  
34 which does not exercise the option of paying in accordance with section 144.020, on the amount  
35 charged for each rental or lease agreement while the motor vehicle, trailer, boat, or outboard  
36 motor is domiciled in this state. Any motor vehicle, trailer, boat, or outboard motor which is  
37 leased as the result of a contract executed in this state shall be presumed to be domiciled in this  
38 state.

39 6. Any corporation may have one or more of its divisions separately apply to the director  
40 of revenue for authorization to operate as a leasing company, provided that the corporation:

41 (1) Has filed a written consent with the director authorizing any of its divisions to apply  
42 for such authority;

43 (2) Is authorized to do business in Missouri;

44 (3) Has agreed to treat any sale of a motor vehicle, trailer, boat, or outboard motor from  
45 one of its divisions to another of its divisions as a sale at retail;

46 (4) Has registered under the fictitious name provisions of sections 417.200 to 417.230  
47 each of its divisions doing business in Missouri as a leasing company; and

48 (5) Operates each of its divisions on a basis separate from each of its other divisions.  
49 However, when the transfer of a motor vehicle, trailer, boat or outboard motor occurs within a  
50 corporation which holds a license to operate as a motor vehicle or boat dealer pursuant to  
51 sections 301.550 to 301.573 the provisions in subdivision (3) of this subsection shall not apply.

52 7. If the owner of any motor vehicle, trailer, boat, or outboard motor desires to charge  
53 and collect sales tax as provided in this section, the owner shall make application to the director

54 of revenue for a permit to operate as a motor vehicle, trailer, boat, or outboard motor leasing  
55 company. The director of revenue shall promulgate rules and regulations determining the  
56 qualifications of such a company, and the method of collection and reporting of sales tax charged  
57 and collected. Such regulations shall apply only to owners of motor vehicles, trailers, boats, or  
58 outboard motors, electing to qualify as motor vehicle, trailer, boat, or outboard motor leasing  
59 companies under the provisions of subsection 5 of this section, and no motor vehicle renting or  
60 leasing, trailer renting or leasing, or boat or outboard motor renting or leasing company can come  
61 under sections 144.010, 144.020, 144.070 and 144.440 unless all motor vehicles, trailers, boats,  
62 and outboard motors held for renting and leasing are included.

63       8. Beginning July 1, 2010, any motor vehicle dealer licensed under section 301.560  
64 engaged in the business of selling motor vehicles or trailers may apply to the director of revenue  
65 for authority to collect and remit the sales tax required under this section on all motor vehicles  
66 sold by the motor vehicle dealer. A motor vehicle dealer receiving authority to collect and remit  
67 the tax is subject to all provisions under sections 144.010 to 144.525. Any motor vehicle dealer  
68 authorized to collect and remit sales taxes on motor vehicles under this subsection shall be  
69 entitled to deduct and retain an amount equal to two percent of the motor vehicle sales tax  
70 pursuant to section 144.140. Any amount of the tax collected under this subsection that is  
71 retained by a motor vehicle dealer pursuant to section 144.140 shall not constitute state revenue.  
72 In no event shall revenues from the general revenue fund or any other state fund be utilized to  
73 compensate motor vehicle dealers for their role in collecting and remitting sales taxes on motor  
74 vehicles. In the event this subsection or any portion thereof is held to violate article IV, section  
75 30(b) of the Missouri Constitution, no motor vehicle dealer shall be authorized to collect and  
76 remit sales taxes on motor vehicles under this section. No motor vehicle dealer shall seek  
77 compensation from the state of Missouri or its agencies if a court of competent jurisdiction  
78 declares that the retention of two percent of the motor vehicle sales tax is unconstitutional and  
79 orders the return of such revenues.

80       **9. Beginning January 31, 2013, the director of revenue shall annually electronically**  
81 **report to the speaker of the house of representatives and president pro tem of the senate**  
82 **a list of all jurisdictions in this state that have adopted a local use tax on motor vehicles,**  
83 **trailers, boats and outboard motors.**

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